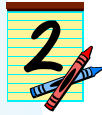


Special Provisions



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Goals of the Provisions

- Reduce paperwork

- Reduce meal count burdens



Provision 1



- In schools where at least 80% (based on the school's previous year March data) of enrolled children are eligible for free or reduced price meals.
- Annual certification/verification of children eligible for free meals may be reduced to once every two consecutive years.
- Do not have to serve meals at no charge
- No change in meal counting and claiming procedure

Provision 2



- All enrolled children are served meals at no charge
- Free and reduced price meal applications collected only for base year
- Cycle is four years in duration
- Base year is included in 4 year cycle

USDA Guidance on web: <http://www.fns.usda.gov/cnd/Guidance/Prov2Guidance.pdf>

Base Year



Definition

- The last year for which eligibility determinations were made and meal counts by type were taken

Base Year Begins...



- Start of the school year OR
- Delayed implementation, not to exceed the first claiming period

Daily Counts



- **Base Year:**

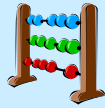
By type (F,RP,P) at point of service

- **Non-base year:**

Total daily meal counts only

Apply monthly or yearly percentages
(round to one decimal place)

- ♦ from base year
- ♦ for each month of non-base years



Monthly Claim - Example



- Monthly claiming percentages for April:

- ♦ Free: 75%
- ♦ Reduced: 16.7%
- ♦ Paid: 8.3%

- Total count for April: 3,000 meals

- Free meal claim = $3,000 \times 75\% = 2,250$

- Reduced meal claim = $3,000 \times 16.7\% = 501$

- Paid meal claim = $3,000 \times 8.3\% = 249$



Provision 3



- **Allows schools to receive the same level of reimbursement and commodity assistance, with some adjustments, for a 4 year period**



Provision 3



- Base year proceeds 4 year cycle and must begin at the start of a school year.
- Students eligible for reduced-price and paid meals **may be charged during base year** (NA for RCCIs)
- Meals served at no charge during non-base years.



Daily Counts



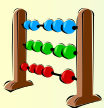
- **Base Year:**

By type (F,RP,P) at point of service

- **Non-Base Year:**

Report number of instructional days and enrollment.

Meal counts are analyzed to see if participation declines significantly, and undertake corrective action as necessary



RCCIs



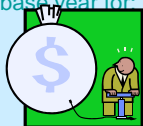
- SA may approve implementation without requirement to obtain daily meal counts of reimbursable meal at the point of service if:
 - ♦ SA determines that enrollment, participation and meal counts do not vary and
 - ♦ There is an approved mechanism in place to ensure that students will receive reimbursable meals.



Annual Adjustment



- Reimbursement during non-base years is paid monthly based on payments during base year
- SA or SFA makes annual adjustments to the Federal cash and commodity assistance received in the base year for:
 - enrollment
 - inflation
 - operating days



Adjustment for Enrollment



- Annually*, compare enrollment for a given date (October 31) in base year with corresponding date in non-base year
- Percentage difference in enrollment, up or down, is applied to base year meal counts by category, to adjust claims for the non-base year

*SA has option of adjusting for enrollment more than once per year



Adjustment for Enrollment



Example:

- Enrollment increase of 2% from date in 2002 to same date in 2003
- July 2002, 1000 meals served
- July 2003
 - $1000 \times 2\% = \text{increase of 20 meals}$
 - $1000 \text{ meals plus } 20 = 1020 \text{ meals automatically claimed}$



Enrollment Base Year Date	146
Enrollment Y2 Date	161
Adjustment for Enrollment	1.10



Base Year	July-02
Lunch Total	4120
Lunch - Free	4094
Lunch - Reduced Price	26

Year 2	July-03
Lunch Total	4532
Lunch - Free	4503
Lunch - Reduced Price	29



Adjustment for Inflation



- "Annual adjustment for inflation shall be effected through the application of the current year rates of reimbursement."



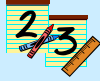
Number of operating days



- The number of operating days shall be adjusted (if the difference affects the number of meals) by:
 - Compute daily average F,RP,P and adjust reimbursement or
 - Compute average dollar amount and adjust reimbursement



Edit Checks



- Base year
 - ◆ Regular edit check worksheet to ensure accuracy of claim
- Non-Base year
 - ◆ Compare total meal counts to attendance adjusted enrollment, unless you are exempt from meal counts



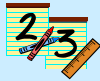
Verification



- Required during base year when applications are collected.
- Not required during non-base years when provision is used for all meal programs in which school participates.



Extension

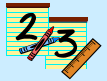


If "Income level of the school population has remained stable, declined or had only negligible improvement"* the SA may approve an extension

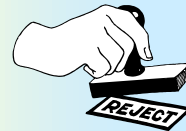
*"Negligible improvement" is defined as 5% or less improvement in the income level of the school's population.



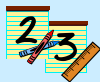
Extension not approved



- School must select one of the following options.



Extension not approved



- 1. Return to standard meal counting and claiming.



Extension not approved



- 2. Establish new Provision 2 or 3 Base Year
 - ◆ Standard Process
 - ◆ Streamlined Process



Streamlined Process



- **Prior approval by SA**
- **Provide meals at no charge**
- **Determine eligibility based on statistical sample of either:**
 - ◆ Enrollment - Calculate %
 - ◆ Participating students over multiple days - Calculate %



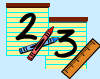
Retain Records



- **Base year** - Retain eligibility determinations, counting and claiming records for duration of *Provision plus extensions* and 3+ years
- **Non-base year** - Retain counting and claiming records for 3+ years



Retain Records



- **Extension** - Retain records of socioeconomic data used for extension
- **Streamlined base year** - Retain all records related to statistical methodology and determination of new claiming percentages for duration of *Provision plus extensions* and 3+ years



Policy Statement



- Amend Policy Statement to include list of schools participating in Provisions 1, 2 or 3.



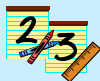
Policy Statement



- Include:
 - ◆ Initial year of implementation
 - ◆ The years cycle is expected to remain in effect
 - ◆ The year provision must be reconsidered
 - ◆ The available and approved economic data that will be used for reconsideration, if applicable.



What if you don't like Provision 2 or 3?



- An SFA may return a school to standard meal counting procedures at any time if standard procedures better suit the school's program needs.
- The SFA will then notify the SA



Consequences



When the SA finds:

- ◆ Incorrect implementation
- ◆ Meal quality has declined
- ◆ Participation has declined
- ◆ Eligibility process or verification incorrectly conducted
- ◆ Meal counts incorrectly taken

SA Must*:

- ◆ Provide technical assistance
 - ◆ Adjust level of financial assistance
 - ◆ Return SFA to standard procedures
- *As appropriate



Comparison of 2 and 3



Provision 2

- All meals at no charge (base year and non-base years)
- Meal adjustments in non-base years reflect participation changes
- Base year is part of 4 year cycle

Provision 3

- Can charge for meals during base year, meals at no charge during non-base years
- Meal adjustments in non-base years based on enrollment changes
- Base year prior to 4 year cycle



How to get started



- Send a letter of intent by June 16 to:
 - Patti Harding
 - ◆ Specific Provision
 - ◆ List sites
- Additional information this summer
 - ◆ More detail provided



Iowa Bureau of Food and Nutrition

Thank You

